# GOVERNMENT OF INDIA
# COMMERCE AND INDUSTRY
# LOK SABHA

STARRED QUESTION NO:392
ANSWERED ON:20.12.2005
EXPORT OF SOFTWARE
Ponnuswamy Shri E.;Shivanna Shri M

### Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the total value of software exported to various countries during each of the last two years, country-wise;

(b) the details with regard to the proposals received from various States to extend financial assistance for infrastructure development of software;

(c) the reaction of the Union Government thereto; and

(d) the incentives given or proposed to be given by the Government to boost software exports?

# Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY ( SHRI E.V.K.S. ELANGOVAN)

(a) to (d) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO. 392 FOR ANSWER ON 20.12.2005 REGARDING `EXPORT OF SOFTWARE`.

(a) The total value of Exports of Computer Software & Services including IT Enabled Services is Rs. 77,300 crores (US $ 17.2 Bn) in the year 2004-2005 as compared to Rs. 58000 crores (US $ 12.6 Bn) in the year 2003-2004. The country-wise details of exports are given at Annexure-I and Annexure-II.

(b) & (c) Projects for developing Software Technology Parks have been taken up in Chhattisgarh, Haryana, Jharkhand, Orissa, Uttaranchal, etc. with financial assistance under the Critical Infrastructure Balancing Scheme (CIB)/ Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) Scheme during the year 2002. During the year 2005-2006, on a proposal from the Government of Madhya Pradesh, an amount of Rs. 10.00 crores has been approved as Central grant under the ASIDE Scheme for setting up a Software Technology Park at Gwalior. The balance amount will be met by the State Government of Madhya Pradesh and Software Technology Parks of India (STPI).

(d) The incentives given by the Government to boost Software Exports include approvals for all Foreign Direct Investment Proposals in the Sector under the automatic route; reduction in the peak rate of customs duty to 15%; abolition of customs duty on ITA-I items; 0% excise duty on computers and exemption of excise duty on micro-processors, hard-disc drives etc; allowing import of capital goods at 5% customs duty under Export Promotion Capital Goods Scheme; exemption from customs and excise duty on IT Software; exemption of income-tax on export profits upto the year 2010 for Export Oriented Units/Software Technology Parks/units; 100% Income Tax exemption on export profits to SEZ units for 5 years; encouraging of e-Commerce by putting in place Information Technology Act, 2000 etc.

ANNEXURE-I

MAJOR COUNTRIES FOR COMPUTER SOFTWARE & SERVICES EXPORTS DURING 2003-2004

```
Value : Rs. Cr.


(US$ Mln.)


DESTINATION  Computer Software Value  %age of
       Sectoral Total



UNITED STATES OF AMERICA 35143.74 (7639.94) 60.59
UNITED KINGDOM  7805.32  (1696.81) 13.46
JAPAN    2070.02  (450.00) 3.57
```

```
GERMANY     1789.70  (389.07) 3.09
BELGIUM     1591.48  (345.97) 2.74
NETHERLANDS  1067.12  (231.98) 1.84
SINGAPORE   979.22  (212.87) 1.69
FINLAND     771.03  (167.62) 1.33
SWEDEN      769.57  (167.30) 1.33
AUSTRALIA   686.78  (149.30) 1.18
OTHER COUNTRIES   5326.02   (1157.83) 9.18
TOTAL      58000.00 (12608.70) 100.00
```

Average Exchange Rate
1US$= Rs. 46.00

Source: Electronics and Computer Software Export Promotion Council

ANNEXURE-II

MAJOR COUNTRIES FOR COMPUTER SOFTWARE / SERVICES EXPORTS DURING 2004-2005

```
Value : Rs. Cr.

(US$ Mln.)


DESTINATION  Computer Software Value  %age of
       Sectoral Total


UNITED STATES OF AMERICA 45995.99 59.50  (10244.10)


UNITED KINGDOM   14056.00 18.18  (3130.51)


JAPAN    2371.9  3.07  (528.26)


GERMANY    2001.89  2.59  (445.86)


NETHERLANDS   1538.65  1.99  (342.68)


SINGAPORE   1215.11  1.57  (270.63)


CANADA    1137.33  1.47  (253.30)


AUSTRALIA   1035.07  1.34  (230.53)


BELGIUM    1014.45  1.31  (225.94)


FRANCE    492.87  0.64  (109.77)


OTHER COUNTRIES   6440.74  8.34  (1434.46)


TOTAL    77300.00 (17216.04) 100.00
```

Average Exchange Rate
1US$= Rs. 44.90

Source: Electronics and Computer Software Export Promotion Council